

Singapore: Background and U.S. Relations

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Summary

A former trading and military outpost of the British Empire, the tiny Republic of Singapore has transformed itself into a modern Asian nation and a major player in the global economy, though it still substantially restricts political freedoms in the name of maintaining social stability and economic growth. Singapore's heavy dependence on international trade makes regional stability and the free flow of goods and services essential to its existence. As a result, the island nation is a firm supporter of both U.S. international trade policy and the U.S. security role in Asia, but also maintains close relations with China. The Obama Administration's strategy of rebalancing U.S. foreign policy priorities to the Asia-Pacific enhances Singapore's role as a key U.S. partner in the region. Singapore and the United States are among the 12 countries on both sides of the Pacific involved in the Trans-Pacific Partnership (TPP), which is the centerpiece of the Obama Administration's economic rebalance to Asia.

The People's Action Party (PAP) has won every general election since the end of the colonial era in 1959, aided by a fragmented opposition, Singapore's economic success, and electoral procedures that strongly favor the ruling party. Some point to changes in the political and social environment that may herald more political pluralism, including generational changes and an ever-increasingly international outlook among Singaporeans. In May 2011, opposition parties claimed their most successful results in history, taking six of parliament's 87 elected seats. Though this still left the PAP with an overwhelming majority in Parliament, the ruling party described the election as a watershed moment for Singapore and vowed to reform the party to respond to the public's concerns.

In 2012, Singapore was the 17th largest U.S. trading partner with \$50 billion in total two-way goods trade, and a substantial destination for U.S. foreign direct investment. The U.S.-Singapore Free Trade Agreement (FTA) went into effect in January 2004, and trade has burgeoned. In addition to trade, mutual security interests strengthen ties between Singapore and the United States. A formal strategic partnership agreement outlines access to military facilities and cooperation in counterterrorism, counter-proliferation of weapons of mass destruction, joint military exercises, policy dialogues, and shared defense technology.

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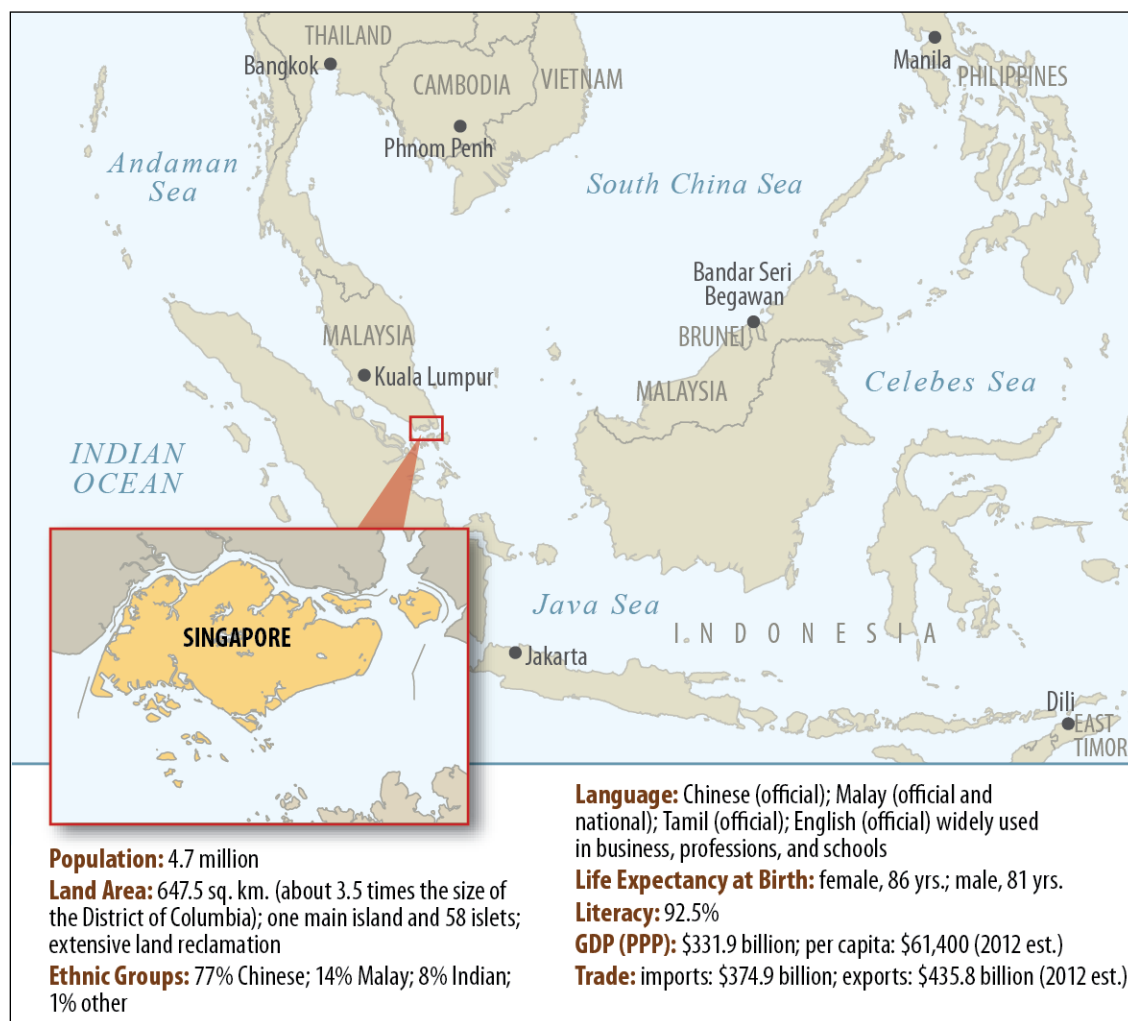
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Overview

Though only about three times the size of Washington, DC, and with a population of 4.7 million, the city-state of Singapore punches far above its weight in both economic and diplomatic influence. Its stable government, strong economic performance, educated citizenry, and strategic position along key shipping lanes make it a major player in regional affairs. For the United States, Singapore is a crucial partner in trade and security cooperation as the Obama Administration executes its rebalance to Asia strategy. Singapore's value has only grown as the Administration has given special emphasis to the Association of Southeast Asian Nations (ASEAN) as a platform for multilateral engagement. Singapore's heavy dependence on international trade makes regional stability and the free flow of goods and services essential to its existence. As a result, the nation is a firm supporter of both U.S. trade policy and the U.S. security role in Asia, but also maintains close relations with China.

Figure I. Map of Southeast Asia



Source: Map, CRS; statistics, CIA World Factbook.

Government and Politics

The People's Action Party (PAP) has won every general election since the end of the colonial era in 1959, aided by a fragmented opposition, Singapore's economic success, and electoral procedures that strongly favor the ruling party. Some point to shifts in the political and social environment that may herald more political pluralism, including generational changes and an increasingly international outlook among Singaporeans. In May 2011, opposition parties claimed their most successful results in history, taking six of parliament's 87 elected seats, and garnering about 40% of the popular vote. Though this still left the PAP with an overwhelming majority in Parliament, the ruling party described the election as a watershed moment for Singapore and vowed to reform the party to respond to the public's concerns.

Singapore's parliamentary-style government is headed by the prime minister and cabinet, who represent the majority party in Parliament. The president serves as a ceremonial head of state, a position currently held by Tony Tan Keng Yam. Lee Hsien Loong has served as prime minister since 2004. Lee is the son of former Prime Minister Lee Kuan Yew, who stepped down in 1990 after 31 years at the helm. The senior Lee, 89 and widely acknowledged as the architect of Singapore's success as a nation, resigned his post as "Minister Mentor" following the 2011 elections, citing a need to pass leadership to the next generation.

In 2010, changes to the constitution guaranteed that more non-PAP members would be represented in the parliament. The electoral reforms were seen as an acknowledgement by the PAP that it must adjust to a more open and diverse Singapore. Singapore's leaders have acknowledged a "contract" with the Singaporean people, under which individual rights are curtailed in the interest of maintaining a stable, prosperous society. Supporters praise the pragmatism of Singapore, noting its sustained economic growth and high standards of living. Others criticize the approach as stunting creativity and entrepreneurship, and insist that Singapore's leaders must respond to an increasingly sophisticated public's demand for greater liberties for economic survival. Greater, and generally freer, use of the Internet may be threatening to some of the leadership; in the past the government attempted to tighten control over bloggers, who may not exercise the same restraint as the mainstream media in limiting criticism of the ruling party or touching on sensitive issues such as race, in Singapore's multi-ethnic environment.

Although it has been elected by a comfortable majority in every election since Singapore's founding, the PAP "places formidable obstacles in the path of political opponents," according to the U.S. State Department's 2012 Country Report on Human Rights Practices. The report states that "the PAP maintained its political dominance in part by circumscribing political discourse and action." According to Amnesty International, defamation suits by PAP leaders to discourage opposition are widespread. The political careers of opposition politicians are marked by characteristic obstacles from the ruling party, including being forced to declare bankruptcy for failing to pay libel damages to prominent PAP members.

U.S.-Singapore Relations

Trade and Investment

Singapore's economy depends heavily on exports, particularly in consumer electronics, information technology products, pharmaceuticals, and financial services. The GDP per capita is \$61,400 (2012 estimate). China, Malaysia, and the United States are Singapore's largest trading

partners. The U.S.-Singapore Free Trade Agreement (FTA) went into effect in January 2004—the U.S.’s first bilateral FTA with an Asian country—and trade has burgeoned. In 2012, Singapore was the 17th largest U.S. trading partner with \$50 billion in total two-way goods trade, and a substantial destination for U.S. foreign direct investment. In 2012, U.S. exports to Singapore exceeded \$30 billion, a historic high. Singapore was the largest U.S. trading partner in ASEAN in 2012, accounting for \$31.4 billion in exports and \$19.1 billion in imports. The U.S. trade surplus with Singapore is the fifth largest American surplus in the world. U.S. direct foreign investment in Singapore has increased more than 20%, exceeding \$116 billion in cumulative investment in 2012.

Singapore and the United States are among the 12 countries on both sides of the Pacific involved in the Trans-Pacific Partnership (TPP), which is the centerpiece of the Obama Administration’s economic rebalance to Asia. With Japan’s entry in the talks, the TPP participants represent a third of the world’s trade. Singapore’s record of championing rigorous trade pacts make it an important negotiating partner in pushing for a comprehensive agreement. Singapore has concluded at least 18 free trade agreements (FTAs) and is pursuing several more, including the Regional Comprehensive Economic Partnership (RCEP), a 16-nation group of Asian nations which is negotiating a free trade agreement at the same time some of its members are working on the TPP. Such agreements are relatively easy for Singapore to negotiate because, in addition to having a mature, globalized economy, it has virtually no agricultural sector and its manufacturing is limited to specialized sectors.

U.S.-Singapore Defense Cooperation

The 2005 “Strategic Framework Agreement” formalizes the bilateral security and defense relationship. The agreement, the first of its kind with a non-ally since the Cold War, builds on the U.S. strategy of “places-not-bases” in the region, a concept that allows the U.S. military access to facilities on a rotational basis without bringing up sensitive sovereignty issues. The agreement allows the United States to operate resupply vessels from Singapore and to use a naval base, a ship repair facility, and an airfield on the island-state. The U.S. Navy also maintains a logistical command unit—Commander, Logistics Group Western Pacific—in Singapore that serves to coordinate warship deployment and logistics in the region. As part of the agreements, squadrons of U.S. fighter planes are rotated to Singapore for a month at a time, and naval vessels make regular port calls. Changi Naval Base is the only facility in Southeast Asia that can dock a U.S. aircraft carrier. Singapore forces also train regularly in the United States.

Security cooperation has continued to grow under the Obama Administration: the two sides have increased bilateral exercises and training, including combined air combat exercises for fighter units for the countries’ air forces, as well as enhanced joint urban training at Singapore’s sophisticated Murai Urban Training Facility. An April 2012 agreement outlines bilateral initiatives to strengthen global cargo security procedures; in 2003, Singapore was the first Asian country to join the Container Security Initiative (CSI), a series of bilateral, reciprocal agreements that allow U.S. Customs and Border Patrol officials at selected foreign ports to pre-screen U.S.-bound containers. It was also a founding member of the Proliferation Security Initiative (PSI), a program that aims to interdict weapons of mass destruction-related shipments.

In April 2013, the USS *Freedom*, a U.S. Navy littoral combat ship (LCS) arrived in Singapore to begin a 10-month deployment in Southeast Asia. The stationing of the LCS, the first of four ships, is emblematic of the role that Singapore can play in the U.S. “pivot” to the region. The vessel is the first U.S. Navy ship to be designed to fight close to shore in shallow waters, to carry a smaller crew, and to boast flexible capabilities that include anti-mine and anti-submarine missions. The smaller size also makes them more amenable to doing exercises with countries that have smaller-

scale naval forces. Singapore's combination of sophisticated facilities and political standing in the region allows it to host such U.S. naval assets.

Singapore-China Relations

Singapore has been a strong champion of ASEAN, which helps Southeast Asia's mostly small countries to influence regional diplomacy, particularly vis-à-vis China. Renewed U.S. engagement under the Obama Administration has pleased Singapore and may have allowed it more diplomatic space to stand up to Beijing on key issues. Singapore has praised the Administration's "rebalancing" effort toward Asia, yet has been careful to warn that anti-China rhetoric or efforts to "contain" China's rise will be counterproductive. During an April 2013 visit to Washington, Prime Minister Lee advised the United States to strengthen its economic ties to the region and develop more trust with Beijing.

Maintaining strong relations with both China and the United States is a keystone of Singapore's foreign policy. Singapore often portrays itself as a useful balancer and intermediary between major powers in the region. In the South China Sea dispute, for example, in 2011 Singapore—a non-claimant—called on China to clarify its island claims, characterizing its stance on the issue as neutral, yet concerned because of the threat to maritime stability. At the same time, Singapore was hosting a port visit by a Chinese surveillance vessel, part of an ongoing exchange on technical cooperation on maritime safety with Beijing.

China's economic power makes it a crucial component of trade policy for all countries in the region, but Singapore's ties with Beijing are multifaceted and extend to cultural, political, and educational exchanges as well. There are frequent high-level visits between Singapore and China. Singapore adheres to a one-China policy, but has an extensive relationship with Taiwan and has managed it carefully to avoid jeopardizing its strong relations with Beijing. Taiwan and Singapore have held large-scale military exercises annually for over 30 years and, in 2010, announced the launch of talks related to a free-trade pact under the framework of the World Trade Organization.

Human and Civil Rights Issues

Although it has been elected by a comfortable majority in every election since Singapore's founding, the PAP "places formidable obstacles in the path of political opponents," according to the U.S. State Department's 2012 Country Report on Human Rights Practices. The report states that "the PAP maintained its political dominance in part by intimidating organized political opposition and circumscribing political discourse and action." According to Amnesty International, defamation suits by PAP leaders to discourage opposition are widespread. The PAP ideology stresses the government's role in enforcing social discipline and harmony in society, even at the expense of individual liberties. The political careers of opposition politicians are marked by characteristic obstacles from the ruling party, including being forced to declare bankruptcy for failing to pay libel damages to prominent PAP members.

International watchdog agencies criticize Singapore's control of the press as well. In 2013, Reporters Without Borders ranked Singapore 149th out of 179 countries in terms of press freedom, its worst performance ever on the index. New media controls have been stepped up as well: in 2013 the government issued new regulations for online news sites that report on Singapore, prompting international internet companies with a presence in the city-state to criticize the move as backward-looking.

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